

Message Text

PAGE 01 NATO 02623 01 OF 02 122109Z

70

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-07 L-02 ACDA-05

NSAE-00 PA-01 PRS-01 SP-02 USIA-06 TRSE-00 SAJ-01

EB-07 NSC-05 SS-15 /068 W

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FM USMISSION NATO

TO SECSTATE WASHDC 1736

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C O N F I D E N T I A L SECTION 1 OF 2 USNATO 2623

E.O. 11652: XGDS-1

TAGS: MARR NATO

SUBJECT: REPORT TO THE INFRASTRUCTURE COMMITTEE TO DPC CONCERNING
COST SHARING AGREEMENT FOR 1975-79 INFRASTRUCTURE PROGRAM

REF: DPC/D(75)13

SUMMARY. MISSION HAS RECEIVED ADVANCE COPY OF REFERENCE WHICH IS
EXPECTED TO BE CONSIDERED BY PERMREPS IN DPC MEETING OF 15 MAY.
TEXT IS REPEATED HEREIN AND MISSION COMMENTS WILL FOLLOW SEPTTEL.
END SUMMARY.

TEXT OF DPC/D(75) 13, DATED 9 MAY (NOW INCLUDED AS ITEM IX
ON DPC AGENDA) FOLLOWS.

THE 1975-1979 (SLICES XXVI-XXX)

NATO COMMON INFRASTRUCTURE PROGRAMME

STATUS REPORT BY THE INFRASTRUCTURE COMMITTEE

REFERENCES: DPC/D(74)27(REVISED)

DPC/R(74)28, PART II, ITEM V.A

AT THE MEETING OF THE DEFENCE PLANNING COMMITTEE IN
MINISTERIAL SESSION ON 10TH/11TH DECEMBER, 1974, THE NATIONS
UNANIMOUSLY APPROVED A CEILING OF INTRASTRUCTURE ACCOUNTING
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PAGE 02 NATO 02623 01 OF 02 122109Z

UNITS (IAU) 400 MILLION AND APPROVED A COST SHARING FORMULA
SUBJECT TO CONFIRMATION BY THE UNITED STATES AND THE UNITED
KINGDOM AND RESERVATION BY TURKEY. THE SUMMARY RECORD
(DPC/R(74)35, ITEM V) ENUMERATED FIVE POINTS WHICH NEEDED TO BE

RESOLVED FOR FINAL APPROVAL OF THE PROGRAMME. THESE WERE AS FOLLOWS:

(A) CONFIRMATION BY THE UNITED STATES,

(B) AGREEMENT ON THE CONTENTS OF A " SPECIAL PROGRAMME",

(C) CONFIRMATION BY THE UNITED KINGDOM,

(D) RESERVATION BY TURKEY,

(E) DEVELOPMENT OF AN ARRANGEMENT FOR COMPARISON OF BIDS WITHOUT TAXES AND DUTIES FOR INFRASTRUCURE PROJECTS IN ITALY.

2. THE STATUS OF THESE ITEMS IS OUTLINED BELOW:

(A) THE UNITED STATES SECRETARY OF DEFENCE HAD ADVISED THE MINISTERS THAT HE WOULD NEED TO CONSULT WITH THE UNITED STATES CONGRESS TO DETERMINE WHETHER OR NOT THE FORMULA OFFERED WOULD SATISFY CONGRESSIONAL REQUIREMENTS THAT THE EFFECTIVE UNITED STATES SHARE BE MAINTAINED AT NO MORE THAN 20 PCT. THE UNITED STATES DELEGATION HAS NOW FORMALLY ADVISED THE SECRETARY GENERAL THAT THE UNITED STATES CONFIRMATION CAN BE GIVEN ON THE CONDITION THAT UNANIMOUS AGREEMENT BE REACHED ON THE CONTENTS OF THE "SPECIAL PROGRAMME";

(B) THE INFRASTRUCTURE COMMITTEE SET UP A WORKING GROUP FOR REVIEWING THE "SPECIAL PROGRAMME", WHICH HAS NOW COMPLETED ITS SCREENING OF THE LIST OF PROJECTS SUBMITTED BY THE UNITED STATES; ITS REPORT WILL SHORTLY BE CONSIDERED BY THE INFRASTRUCTURE COMMITTEE;

(C) THE SECRETARY OF STATE FOR DEFENCE OF THE UNITED KINGDOM STATED THAT THE PROGRAMME REMAINED SUBJECT TO CONFIDENTIAL

PAGE 03 NATO 02623 01 OF 02 122109Z

CONFIRMATION UNTIL SUCH TIME AS THE CONTENTS OF THE "SPECIAL PROGRAMME" HAD BEEN FURTHER DEFINED AND REVIEWED. THE UNITED KINGDOM MEMBER OF THE INFRASTRUCTURE COMMITTEE HAS BEEN PARTICIPATING IN THE WORKING GROUP SET UP TO REVIEW THE "SPECIAL PROGRAMME" AND HAS KEPT HIS AUTHORITIES ADVISED OF THE GROUP'S PROCEEDINGS. HE WILL SUBMIT ITS RECOMMENDATIONS TO HIS AUTHORITIES FOR REVIEW AND APPROVAL;

(D) THE MINISTER OF DEFENCE FOR TURKEY STATED THAT, AS A MATTER OF PRINCIPLE, HIS COUNTRY COULD NOT CONTRIBUTE TO THE "SPECIAL PROGRAMME". A PROPOSAL WAS MADE TO THE TURKISH DELEGATION THAT TURKEY CONSIDER AN ARRANGEMENT

WHEREBY IT WOULD CONTRIBUTE THE AMOUNT CALLED FOR BY THE COST SHARING ARRANGEMENTS TENTATIVELY AGREED TO BY ALL OTHER COUNTRIES, BUT CREDIT THE FULL AMOUNT TO THE REGULAR PROGRAMME WITHOUT ANY CONTRIBUTION TO THE "SPECIAL PROGRAMME". THE TURKISH DELEGATION HAS ADVISED THAT ITS AUTHORITIES IN ANKARA CANNOT AGREE TO SUCH AN ARRANGEMENT AND HAS SUGGESTED THAT THE AMOUNT IN QUESTION BE MET BY THE OTHER COUNTRIES;

(E) THE ITALIAN GOVERNMENT HAS AGREED TO THE PRINCIPLE OF COMPARISON OF BIDS WITHOUT TAXES AND DUTIES. THE ADMINISTRATIVE ARRANGEMENTS FOR IMPLEMENTING THESE PRINCIPLES ARE AT PRESENT CONSIDERATION.

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PAGE 01 NATO 02623 02 OF 02 122111Z

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ACTION EUR-12

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C O N F I D E N T I A L SECTION 2 OF 2 USNATO 2623

3. THE MOST SERIOUS PROBLEM APPEARS TO BE THAT OF THE TURKISH DECISION NOT TO CONTRIBUTE TO A "SPECIAL PROGRAMME". (WHILE THE AMOUNT INVOLVED, AS CALCULATED BEFORE THE TURKISH POSITION WAS KNOWN, IS COMPARATIVELY SMALL (APPROXIMATELY IAU 382,000 OR LESS THAN ONE-TENTH OF 1 PCT OF THE IAU 400 MILLION CEILING), THE CONSEQUENCE OF THE TURKISH DECISION IS THAT IT WOULD REQUIRE A REVISION OF THE COST SHARING PATTERN TENTATIVELY AGREED BY ALL MEMBERS. EVEN IF THE TOTAL PROGRAMME WERE SIMPLY REDUCED BY THIS AMOUNT, THE COST SHARING FORMULA, AS CALCULATED AT THE TIME ON THE ASSUMPTION THAT TURKEY WOULD PARTICIPATE IN THE "SPECIAL PROGRAMME", WOULD BE ALTERED, WITH A DECREASE IN TURKEY'S PERCENTAGE UNDER THAT FORMULA AND AN INCREASE IN THAT OF OTHER NATIONS). (NOTE: THE TURKISH REPRESENTATIVE HAS PLACED A RESERVATION ON THE INCLUSION OF THESE TWO SENTENCES.) NO OTHER COUNTRY IS PREPARED TO AGREE, FOR THE TIME BEING, TO ANY REVISION OF THE COST SHARES FOR SLICES XXVI-XXX AS TENTATIVELY PROPOSED IN ANNEX TO DPC/D(74)27(REVISED).

4. IN ANTICIPATION OF DPC RESOLUTION OF THE OUTSTANDING

DIFFICULTIES REGARDING THE 1975-1979 PROGRAMME, ROUTINE
ACTION IS IN HAND IN THE FOLLOWING AREAS:

(A) MNCS ARE DUE TO SUBMIT, BY 1ST JUNE, 1975, REVISED
5-YEAR PROGRAMMES FOR CONSIDERATION BY THE MILITARY
COMMITTEE AND SUBSEQUENTLY THE INFRASTRUCTURE
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PAGE 02 NATO 02623 02 OF 02 122111Z

COMMITTEE;

(B) ROUTINE SCREENING OF SLICE XXVI IS WELL UNDERWAY IN
THE INFRASTRUCTURE COMMITTEE;

(C) MNCS ARE CURRENTLY REVIEWING SLICE XXVII SUBMISSIONS
FROM SUBORDINATE COMMANDERS AND INTEND TO FORWARD THEIR
RECOMMENDED SLICE XXVII PROGRAMME IN OCTOBER/NOVEMBER
1975.

APPROVAL OF THE 1975-1979 PROGRAMME IS URGENTLY
REQUIRED TO AVOID DISRUPTION IN THE PROGRAMMING CYCLE AND
HARMFUL AND COSTLY DELAY IN THE EXECUTION OF THE INFRASTRUCTURE
PROGRAMME.

RECOMMENDATIONS

5. THE INFRASTRUCTURE COMMITTEE RECOMMENDS THAT THE
DEFENCE PLANNING COMMITTEE:

(A) TAKE NOTE OF THE ABOVE STATUS REPORT;

(B) CONSIDER WHETHER TO FORWARD THE ABOVE REPORT TO
DEFENCE MINISTERS WITH APPROPRIATE RECOMMENDATIONS.

END OF TEXT.
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